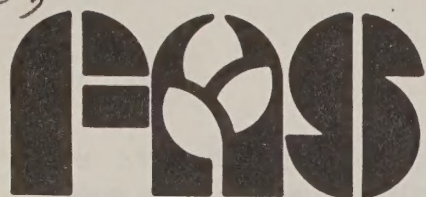


## **Historic, Archive Document**

Do not assume content reflects current  
scientific knowledge, policies, or practices.





# REPORT

RECEIVED

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 33-81

WASHINGTON, Aug. 19--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

## GRAIN AND FEED

The SOVIET UNION has returned to the U.S. wheat market after an absence of some months. On Aug. 13, 14 and 17 private traders reported sales to the USSR totaling 650,000 tons for delivery prior to Sept. 30, 1981. In addition, corn sales totaling 900,000 tons also were reported. This brings activity for the fifth year of the long-term agreement to 9.55 million tons. Of this amount 3.65 million tons is wheat and 5.9 million tons is corn.

Earlier, sales totaling 1.05 million tons of corn had been reported for shipments during the one-year extension or sixth year of the original five-year agreement (Oct. 1, 1976 - Sept. 30, 1981).

\*\*\*\*\*

AUSTRALIA'S grain shipments came to an abrupt halt on Aug. 10 because of conflicts between the Waterside Worker's Federation (WWF) and the Australian Workers Union (AWU). The roots of the work stoppage lie in a union demarcation dispute. A similar situation resulted in a prolonged nation-wide strike in 1979.

All of Australia's ports are affected by the present strike, but those in New South Wales will face the greatest problems because most of the current wheat shipments are out of that area. Some short-term difficulties in meeting shipping schedules may be created by the strike. However, the work stoppage would have to last a considerable length of time to cause a reduction in Australia's total exports for the year.

\*\*\*\*\*

ARGENTINA announced on July 31 the immediate elimination of remaining export taxes on grain exports. These export taxes, set at about 8 to 12 percent, were part of the economic measures instituted in April which included a 30-percent devaluation of the peso. Domestic grain prices already have risen in anticipation of this shift in policy and are not expected to increase much further.

-more-

MARY FRANCES CHUGG, Editor. Tel (202) 447-2280. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.



Also, it was announced that producers would not be permitted to exchange part of their import earnings at the more favorable financial exchange rate as previously anticipated. However, the commercial exchange rate (at about 4900 pesos to the dollar) and the financial exchange rate (about 7200 pesos per dollar) are expected to converge before the end of the year, benefiting new crop wheat exports.

The most significant impact of these announcements will be to dispell the uncertainty which has gripped the Argentine grain market for over a month. Exporters have been caught in a short-term delivery squeeze as a result of farmer retentions. For example, f.o.b. corn prices advanced substantially above contract prices fixed in late June, making it difficult for exporters to cover these sales at the previously fixed prices. Markets are now expected to stabilize.

#### DAIRY, LIVESTOCK AND POULTRY

In the SOVIET UNION, poultry and egg production in 1981 will remain the top performers in the livestock, poultry and byproducts sector. The level of output, however, is conditioned upon a stable feed situation. Poultry meat production is expected to be between 2.20 to 2.25 million tons, an increase of 5 to 7 percent over 1980. Also, egg production will likely reach 69.7 billion eggs, 3 percent more than in 1980. The USSR is second only to the United States in the production of poultry and eggs, producing about 10 percent of world poultry output and about one-fifth of world egg production in 1980.

\*\*\*\*\*

TAIWAN has announced a policy to sharply increase its dairy cow numbers so that dependence on imported milk powder can be reduced. A larger dairy herd also will make better use of that country's marginal slopelands and its supply of waste products from food processing.

The preliminary goal of a new five-year plan for the cattle sector is to boost the number of dairy cows from an estimated 22,000 in 1980 to 58,000 by 1986. Consumption of dairy products is projected to rise 7.5 percent annually during 1980-86 and Taiwan hopes to double its rate of self-sufficiency to 35 percent of fresh milk equivalent consumption by 1986.

To build dairy cow numbers, Taiwan expects to import 2,000 head of dairy cattle this year, 3,000 head each during 1982-85 and 2,000 head again in 1986. This compares with 100 dairy cattle, all of which came from the United States, imported in 1980. In the first six months of 1981, U.S. exports to that market stood at 100 head. Almost all dairy cattle in Taiwan are Holsteins and various officials have indicated a strong preference to import the same breed. Imports of frozen bull semen also are seen rising significantly. The United States has exported \$107,459 in bull semen to Taiwan during January-June 1981, a 110-percent increase over the same period last year.

\*\*\*\*\*

-more-



In CANADA, all classes of poultry, with the exception of fowl, are expected to show lower levels of production in 1981. The reductions are the result of decisions by the Chicken Marketing Agency and the Turkey Marketing Agency to cut back production quotas. These cutbacks decisions were because of relatively high carryover stocks from 1980 when poultry meat received strong competition from lower priced pork at the retail level. However, both production and use of poultry are expected to rebound by late 1981 and into 1982 as higher prices for pork are expected to help increase poultry demand.

In addition, shell-egg output also is expected to be down from a year earlier which could affect the Egg Marketing Agency's decision to reduce egg surpluses by initiating a fowl slaughter program. Total production is expected to recover in 1982 and exceed the estimated 1981 level partially due to a forecast increase in egg consumption as higher red meat prices encourage increased use of eggs and poultry.

#### HORTICULTURAL AND TROPICAL PRODUCTS

NEW ZEALAND'S production of kiwi fruit continues to rise. By the end of 1981, production is expected to increase nearly tenfold--to 22,000 tons. This compares with production in 1970 of 2,155 tons. Further production gains are planned in the future.

\*\*\*\*\*

ARGENTINA'S olive production continues to expand although planted area has been trending downward since 1978. Output of olives has increased steadily as a result of higher yields. Changes in area, yields and production since 1976 are as follows:

	<u>Area planted in hectares</u>	<u>Area bearing in hectares</u>	<u>Yield per hectare</u>	<u>Total production in tons</u>
1976	40,000	39,500	2,008	79,300
1977	37,200	37,000	2,541	94,000
1978	37,800	37,000	2,027	75,000
1979	37,400	36,700	2,888	106,000
1980	36,600	36,400	3.077	112,000

\*\*\*\*\*

In THAILAND, preliminary estimates indicate that sugarcane production for 1981/82 (harvest beginning Nov. 1981) could be 22 million tons or more, yielding approximately 2 million tons of sugar (raw value). If achieved, a crop of this volume would constitute the largest output since 1976/77 and would represent a significant recovery since the drought-stricken 1979/80 crop of 1.09 million tons which forced Thailand to import sugar to satisfy domestic demand. High domestic prices, good growing conditions and an expanded area planted to cane have combined to raise production.

\*\*\*\*\*

-more-



INDIA'S production of raw jute and mesta (kenaf) for 1981/82 (July-June) crop is expected to total around 8 million bales (180 kilograms each) or about 1.44 million tons--about the same as last year's output. Favorable weather and remunerative price supports have been largely responsible for the sustained production of jute and mesta in India over the last several years. India is the world's largest producer of jute and mesta followed by Bangladesh and Thailand which last year produced an estimated 816,000 tons and 220,000 tons, respectively.

\*\*\*\*\*

In BRAZIL, recent frosts have reduced the 1982-83 coffee crop potential by about one-half in the state of Sao Paulo, according to a field survey by the office of the U.S. agricultural counselor in Brasilia.

USDA predicted that frost damage on July 20 and 21 to as many as 50 to 60 percent of the approximately 900 million coffee trees in Sao Paulo could reduce next year's production potential to about 4 to 5 million 60-kilogram bags. This compares with a pre-frost assessment of 8 to 9 million bags.

On Aug. 12, USDA forecast that the July frosts were likely to have reduced 1982 coffee production potential by two-thirds in the state of Parana, from 8 to 9 million bags to about 3 million bags. A damage assessment in the largest producing state, Minas Gerais, and a summary of aggregate findings for Brazil are scheduled for release during the week of Aug. 24.

The Sao Paulo survey showed that 5 percent of the trees were killed and will need to be uprooted, 10 percent were severely damaged (no production can be expected from the trees for four years), 20 percent were moderately damaged (virtually no production will be forthcoming for three years), and 20 percent were lightly damaged (requiring two years for full recovery).

For the recently harvested 1981-82 crop, Sao Paulo produced between 9.5 and 10 million bags, about 30 percent of Brazil's total production. This year's Brazilian crop currently is estimated at 32 million bags, or about a third of total world production.

#### TOBACCO

In the UNITED STATES, flue-cured tobacco auctions for 1981 opened July 14 in the Georgia and Florida belt and one to two weeks later in the South and North Carolina belts, with prices reaching record highs for all markets. For the season through July 30, prices averaged \$1.56 to \$1.63 per pound, or about 30 cents per pound higher than the 1980 opening prices. Top prices were around \$1.90 per pound. Prices for the first week in August were down slightly, compared with those received during the opening week because of lower quality tobacco.

The Flue Cured Cooperative Stabilization Corporation took only 1.8 percent of total sales through July 30, compared with over 15 percent for the same period in 1980. The 1981 crop is reported by the trade to be much better quality tobacco than the preceding year's crop. The average loan rate for 1980 is \$1.59 per pound, compared with an average support price in 1980 of \$1.41 per pound.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Aug. 18, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			
Canadian No. 1 CWRS-13.5%.....	220.75	6.01	-41
U.S. No. 2 DNS/NS: 14%.....	189.00	5.14	0
U.S. No. 2 DHW/HW: 13.5%.....	203.00	5.52	+02
U.S. No. 2 S.R.W.....	168.00	4.57	+13
U.S. No. 3 H.A.D.....	187.00	5.09	-14
Canadian No. 1 A: Durum.....	<u>1/</u>	<u>1/</u>	<u>1/</u>
Feed grains:			
U.S. No. 3 Yellow Corn.....	144.00	3.66	-10
U.S. No. 2 Sorghum <u>2/</u> .....	149.00	3.78	-23
Feed Barley <u>3/</u> .....	136.00	2.96	+03
Soybeans:			
U.S. No. 2 Yellow.....	281.00	7.65	-17
Argentine 4/.....	278.00	7.56	-21
U.S. 44% Soybean Meal (M.T.)..	242.00	--	-3.00 <u>5/</u>
EC Import Levies			
Wheat <u>6/</u> .....	71.85	1.96	0
Barley.....	55.95	1.22	+10
Corn.....	62.50	1.59	+26
Sorghum.....	54.25	1.38	+30

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis September delivery.







**UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250**

**OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300**

**POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF  
AGRICULTURE**



**AGR 101  
FIRST CLASS**

If you no longer need this publication, check here \_\_\_\_\_ and return this sheet and/or envelope in which it was mailed and your name will be dropped from mailing list.

If your address should be changed \_\_\_\_\_ PRINT OR TYPE the new address, including ZIP CODE and return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.  
U.S. Department of Agriculture  
Washington, D.C. 20250

0003 ULSRRC196A122 10002 0001  
USDA LIBRARY SOUTHERN REGNL  
RES CNTR AL HJ  
BOX 19687  
NEW ORLEANS LA 70179